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WASHINGTON, D. C. 20006  
(202) 429-7000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

NANCY J. VICTORY  
(202) 429-7388

November 6, 1997

FACSIMILE  
(202) 429-7049

The Honorable William E. Kennard  
The Honorable Susan Ness  
The Honorable Michael K. Powell  
The Honorable Harold W. Furchtgott-Roth  
The Honorable Gloria Tristani  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554


Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed please find the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,

  
Nancy J. Victory

cc: service list on attached document

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NOV - 6 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**MOBILEMEDIA CORPORATION**  
**65 Challenger Road**  
**Ridgefield Park, New Jersey 07660**  
**(201) 393-4664**  
**Fax: (201) 449-8969**

November 6, 1997

The Honorable William E. Kennard  
The Honorable Susan Ness  
The Honorable Michael Powell  
The Honorable Harold W. Furchtgott-Roth  
The Honorable Gloria Tristani  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: MobileMedia Corporation et al. (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly report as to the progress of the bankruptcy proceedings:

**I. PROCEEDINGS IN THE BANKRUPTCY COURT**

Activity in the Bankruptcy Court in October included a hearing on the Debtors' First Omnibus Motion to disallow certain prepetition claims and to reduce and allow certain claims. The Bankruptcy Court has to date granted all of the relief requested by the Debtors relating to claims, and has entered orders expunging or reducing 424 claims, filed in the aggregate amount of approximately \$69.5 million, to an allowed aggregate amount under \$250,000. The Debtors intend to file a second omnibus objection in November, and anticipate filing individual objections to certain large disputed claims in that time frame.

## II. PROGRESS TOWARDS A PLAN OF REORGANIZATION

As previously reported, in response to the Debtors' formal solicitation of bids from prospective third-party purchasers<sup>1</sup>, the Debtors received three preliminary, non-binding expressions of interest on September 24. During October, the Blackstone Group continued its evaluation of these bids and conducted further discussions with the bidders. Additional due diligence is currently being conducted in connection with these bids. Information concerning the bids was provided to the financial advisors for the Debtors' Lenders and Creditors Committee enabling these constituencies to participate in the evaluation of the bids.

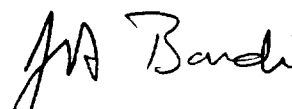
On October 17, the Debtors delivered their five-year business plan to the financial advisors for the Lenders and Creditors Committee; the Business Plan was subsequently distributed to the Lenders and to the members of the Creditors Committee. The business plan forms the basis of plan negotiations with the creditors, and also provides a framework within which to evaluate the third-party bids that have been received. The Debtors began immediately working with these advisors to answer their questions about the Business Plan. On October 30, the Debtors and their advisors made a presentation of the Business Plan to the Lenders' Steering Committee. The Debtors have scheduled similar meetings with the Creditors Committee. During November, the Debtors' negotiations with the Lenders and the Committee will proceed in tandem with their discussions with interested third-party bidders.

## III. FINANCIAL PERFORMANCE

As previously indicated, the Debtors are required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to the Debtors' financial performance for the prior month. A copy of the Debtors' Monthly Operating Report for September 1997, which was filed on October 31, 1997, is attached hereto as Exhibit A.

We hope that this information is helpful. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi  
Chairman-Restructuring

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<sup>1</sup> As noted in prior reports, The Blackstone Group and the Debtors believe it would be detrimental to the plan process to disclose the identities of these third-parties and, indeed, the bids themselves contain confidentiality restrictions.

cc: Daniel Phythyon, Esq.  
David Solomon, Esq.  
Rosalind K. Allen, Esq.  
Gary Schonman, Esq.  
John J. Riffer, Esq.  
John Harwood, Esq.  
Philip Spector, Esq.  
Ky E. Kirby, Esq.  
David Spears, Esq.  
Mr. William Caton (for inclusion with WT Docket No. 97-115)

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**MONTHLY OPERATING REPORT**

For the month ended September 30, 1997

**RECEIVED**

NOV - 6 1997

**Debtor Name:** MobileMedia Corporation et al.

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Case Number:** 97-174 (PJW)

<b>Required Attachments:</b>	<b>Document Attached</b>	<b>Previously Submitted</b>	<b>Explanation Attached</b>
1. Tax Receipts	( )	(X)	(X)
2. Bank Statements	( )	( )	(X)
3. Most recently filed Income Tax Return	( )	(X)	( )
4. Most recent Annual Financial Statements prepared by accountant	( )	(X)	( )

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

**RESPONSIBLE PARTY:**

David R. Gibson  
SIGNATURE OF RESPONSIBLE PARTY

Senior Vice President/Chief Financial Officer  
TITLE

David R. Gibson  
PRINTED NAME OF RESPONSIBLE PARTY

October 29, 1997  
DATE

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**ATTACHMENT**

**For the month ended September 30, 1997**

**Debtor Name:**    **MobileMedia Corporation et al.**

**Case Number:**    **97-174 (PJW)**

- 
1. Payroll tax filings and payments are made by Automated Data Processing, Inc. (an outside payroll processing company). Evidence of tax payments are available upon request. Previously, the Debtors filed copies of such evidence for the third quarter of 1996 with the US Trustee.

Please see the Status of Post Petition Taxes attached hereto for the month's activity.

2. The Debtors have 63 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows in the Monthly Operating Report. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**CONDENSED CONSOLIDATED**  
**STATEMENT OF OPERATIONS**  
**For the month ended September 30, 1997**

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

---

See Statement of Operations for reporting period attached.

**HEADNOTES:**

*These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.*

*(1) Operating expense and EBITDA for September 1997 includes the favorable impact of a \$2.1 million reversal of previously recorded 1997 telephone expense accruals.*

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Statements of Operations**  
**For the Months Ended September 30, 1997, August, 31, 1997 and July 31, 1997**  
**( Unaudited )**  
**( in thousands )**

	September 1997	August 1997	July 1997
<b>Paging Revenues</b>			
Service, Rents & Maintenance	\$39,635	\$40,387	\$41,481
<b>Equipment Sales</b>			
Product Sales	2,743	3,388	4,055
Cost of Products Sold	2,731	3,512	4,333
Equipment Margin	13	(124)	(278)
<b>Net Revenue</b>	39,648	40,262	41,203
<b>Operating Expense</b>			
Service, Rents & Maintenance	10,981	12,165	12,992
Selling	5,187	5,409	6,019
General & Administrative	14,608	14,560	15,053
Operating Expense Before Depr. & Amort.	30,776 (1)	32,134	34,064
EBITDA Before Reorganization Costs	8,872 (1)	8,128	7,139
Reorganization Costs	1,522	1,320	1,784
EBITDA after Reorganization Costs	7,350 (1)	6,808	5,355
Depreciation	8,617	8,761	8,334
Amortization	9,245	9,245	9,246
Total Depreciation and Amortization	17,862	18,007	17,580
<b>Operating Loss</b>	(10,512)	(11,199)	(12,225)
Interest Expense	5,219	5,379	5,465
Other Expense	(0)	(2)	(1)
<b>Net Loss</b>	<u>(\$15,731)</u>	<u>(\$16,575)</u>	<u>(\$17,689)</u>

See Accompanying Notes.



**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

**For the month ended September 30, 1997**

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

---

See balance sheet attached.

**HEADNOTES:**

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
 As of September 30, 1997, August 31, 1997 and July 31, 1997  
 (Unaudited)  
 (in thousands)

	September 1997	August 1997	July 1997
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash	\$5,388	\$4,157	\$3,468
Accounts Receivable, Net	61,001	61,161	60,063
Inventory	4,143	4,658	5,395
Prepaid Expenses	1,150	1,217	1,279
Other Current Assets	2,748	2,778	2,798
<b>Total Current Assets</b>	<b>74,431</b>	<b>73,971</b>	<b>73,004</b>
<b>Noncurrent Assets:</b>			
Property and Equipment, Net	279,280	286,188	293,194
Deferred Financing Fees, Net	24,600	25,154	25,708
Investment In Net Assets Of Equity Affiliate	1,911	1,949	2,024
Intangible Assets, Net	1,035,335	1,045,337	1,054,546
Other Assets	750	792	876
<b>Total Noncurrent Assets</b>	<b>1,341,876</b>	<b>1,359,420</b>	<b>1,376,348</b>
<b>Total Assets</b>	<b>\$1,416,307</b>	<b>\$1,433,390</b>	<b>\$1,449,352</b>
<b>Liabilities and Stockholders' Equity:</b>			
<b>Liabilities Not Subject to Compromise:</b>			
DIP Credit Facility	\$17,000	\$17,000	\$15,000
Accrued Reorganization Costs	4,702	5,382	5,511
Accrued Wages, Benefits and Payroll Taxes	13,755	12,319	11,713
Accounts Payable - Post Petition	4,155	5,433	3,939
Accrued Interest (Chase & DIP Facilities )	4,396	4,595	4,621
Accrued Expenses and Other Current Liabilities	41,633	43,425	46,495
Advance Billings and Customer Deposits	35,803	36,210	37,785
<b>Total Liabilities Not Subject To Compromise</b>	<b>121,444</b>	<b>124,364</b>	<b>125,063</b>
<b>Liabilities Subject to Compromise:</b>			
Accrued Wages, Benefits and Payroll Taxes	3,093	3,093	3,093
Chase Credit Facility	649,000	649,000	649,000
Notes Payable - 10 1/2%	174,125	174,125	174,125
Notes Payable - 9 3/8%	250,000	250,000	250,000
Notes Payable - Yampol	986	986	986
Notes Payable - Dial Page 12 1/4%	1,570	1,570	1,570
Accrued Interest On Notes Payable	20,735	20,751	20,761
Accounts Payable- Pre Petition	17,333	17,181	15,820
Accrued Expenses and Other Current Liabilities - Pre Petition	14,400	12,929	12,926
Other Liabilities	4,934	4,973	5,013
<b>Total Liabilities Subject To Compromise</b>	<b>1,136,176</b>	<b>1,134,608</b>	<b>1,133,295</b>
<b>Deferred Tax Liability</b>	<b>72,097</b>	<b>72,097</b>	<b>72,097</b>
<b>Stockholders' Equity</b>			
Class A Common Stock	39	39	39
Class B Common Stock	2	2	2
Additional Paid-In Capital	671,459	671,459	671,459
Accumulated Deficit - Pre Petition	(437,127)	(437,127)	(437,127)
Accumulated Deficit - Post Petition	(141,661)	(125,929)	(109,354)
<b>Total Stockholders' Equity</b>	<b>92,713</b>	<b>108,445</b>	<b>125,020</b>
Less:			
Treasury Stock	(6,123)	(6,123)	(6,123)
<b>Total Stockholders' Equity</b>	<b>86,590</b>	<b>102,322</b>	<b>118,897</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$1,416,307</b>	<b>\$1,433,390</b>	<b>\$1,449,352</b>

See Accompanying Notes

### ***Footnotes to the Financial Statements:***

1. These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed Of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

In March 1995, the Financial Accounting Standards Board issued SFAS 121, which is effective for financial statements for fiscal years beginning after December 15, 1995. Under certain circumstances, SFAS 121 requires companies to write down the carrying value of long-lived assets recorded in the financial statements to the fair value of such assets. A significant amount of the assets of the Company, which were acquired as a result of the acquisitions of businesses, including the Dial Page and MobileComm acquisitions, were recorded in accordance with principles of purchase accounting at acquisition prices and constitute long-lived assets. The Company has determined, and its independent auditors have concurred, that SFAS 121 is applicable to the Company, and therefore the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write down will be material; however, it is not possible at this time to determine such amount. Since the Company cannot comply with SFAS 121 at this time, it is unable to issue audited financial statements in compliance with generally accepted accounting principles. Consequently, the Company will not file its Report on Form 10-K or its other periodic reports under the Securities Exchange Act of 1934, as amended.

*Footnotes to the Financial Statements (continued):*

2. On January 30, 1997 (the "Filing Date"), MobileMedia Corporation (the "Company"), MobileMedia Communications, Inc. ("MobileMedia Communications") and all seventeen of MobileMedia Communications' subsidiaries filed for protection under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are operating as debtors-in-possession and are subject to the jurisdiction of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

The Court has authorized the debtors to pay certain pre-petition creditors. These permitted pre-petition payments include: (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

3. Since the Filing Date, the Debtors have continued to manage their business as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code. During the pendency of the Chapter 11 cases, the Bankruptcy Court has jurisdiction over the assets and affairs of the Debtors, and their continued operations are subject to the Bankruptcy Court's protection and supervision. The Debtors have sought, obtained, and are in the process of applying for, various orders from the Bankruptcy Court intended to stabilize and reorganize their business and minimize any disruption caused by the Chapter 11 cases.
4. Operating expense and EBITDA for September 1997 includes the favorable impact of a \$2.1 million reversal of previously recorded 1997 telephone expense accruals.
5. During the month of February 1997, the Debtors drew down \$45 million of borrowings under the debtor-in-possession financing facility (the "DIP facility") with The Chase Manhattan Bank, as agent for the lenders thereunder (the "DIP Lenders"). During the months of March and April 1997, the Debtors repaid \$25 million and \$5 million, respectively, of borrowings under the DIP facility. During the month of August, the Debtors drew down an additional \$2 million under the DIP facility.
6. The Company is one of the largest paging companies in the U.S., with approximately 3.7 million system reported units in service at September 30, 1997, and offers local, regional and national paging services to its subscribers. The Company estimates it will remove approximately 0.1 million units included above, for which payment is delinquent or are non-revenue generating. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's business is conducted primarily through the Company's principal operating subsidiary, MobileMedia Communications, and its subsidiaries. The Company markets its services primarily under the "MobileComm" brand name. All significant intercompany accounts and transactions have been eliminated.

*Footnotes to the Financial Statements (continued):*

7. As previously announced in its September 27, 1996 and October 21, 1996 releases, the Company discovered misrepresentations and other violations which occurred during the licensing process for as many as 400 to 500, or approximately 6% to 7%, of its approximately 8,000 local transmission one-way paging stations. The Company caused an investigation to be conducted by its outside counsel, and a comprehensive report regarding these matters was provided to the Federal Communications Commission (the "FCC") in the fall of 1996. In cooperation with the FCC, outside counsel's investigation was expanded to examine all of the Company's paging licenses, and the results of that investigation were submitted to the FCC on November 8, 1996. As part of the cooperative process, the Company also proposed to the FCC that a Consent Order be entered which would result, among other things, in the return of certain local paging authorizations then held by the Company, the dismissal of certain pending applications for paging authorizations, and the voluntary acceptance of a substantial monetary forfeiture.

On January 13, 1997, the FCC issued a Public Notice relating to the status of certain FCC authorizations held by the Company. Pursuant to the Public Notice, the FCC announced that it had (i) automatically terminated approximately 185 authorizations for paging facilities that were not constructed by the expiration date of their construction permits and remained unconstructed, (ii) dismissed approximately 94 applications for fill-in sites around existing paging stations (which had been filed under the so-called "40-mile rule") as defective because they were predicated upon unconstructed facilities and (iii) automatically terminated approximately 99 other authorizations for paging facilities that were constructed after the expiration date of their construction permits. With respect to the approximately 99 authorizations where the underlying station was untimely constructed, the FCC granted the Company interim operating authority subject to further action by the FCC.

On April 8, 1997, the FCC adopted an order commencing an administrative hearing into the qualification of the Company to remain a licensee. The order directed an Administrative Law Judge to take evidence and develop a full factual record on directed issues concerning the Company's filing of false forms and applications. The Company was permitted to operate its licensed facilities and provide service to the public during the pendency of the hearing.

*Footnotes to the Financial Statements (continued):*

On June 6, 1997, the FCC issued an order staying the hearing proceeding for ten months in order to allow the Company to develop and consummate a plan of reorganization that provides for a change of control of the Company and a permissible transfer of the Company's FCC licenses. The order, which is based on an FCC doctrine known as *Second Thursday*, provides that if there is a change of control that meets the conditions of *Second Thursday*, the Company's FCC issues will be resolved by the transfer of the Company's FCC licenses to the new owners of the Company and the hearing will not proceed. The Company believes that a reorganization plan that provides for either a conversion of certain existing debt to equity, in which case existing MobileMedia shares will be substantially diluted or eliminated, or a sale of the Company will result in a change of control. There can be no assurance that the Company will be successful in consummating a plan of reorganization meeting the requirements of the order. In the event that the Company were unable to do so, the Company would be required to proceed with the hearing, which, if adversely determined, could result in the loss of the Company's licenses or substantial monetary fines, or both. Such an outcome would have a material adverse effect on the Company's financial condition and results of operations.

**OFFICE OF THE U.S. TRUSTEE - REGION 3  
CONSOLIDATED STATEMENT OF CASH  
RECEIPTS AND DISBURSEMENTS**

**For the month ended September 30, 1997**

**Debtor Name: MobileMedia Corporation et al.**

**Case Number: 97-174 (PJW)**

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The Debtors have 63 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows for the reporting period which is attached. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

**HEADNOTES:**

*These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.*

**MobileMedia Corporation and Subsidiaries**  
**Consolidated Statements Of Cash Flows**  
**For The Months Ended September 30, 1997, August 31, 1997 and July 31, 1997**  
**(Unaudited)**  
**(in thousands)**

	<u>September 1997</u>	<u>August 1997</u>	<u>July 1997</u>
<b>Operating Activities</b>			
Net Loss	(\$15,731)	(\$16,575)	(\$17,689)
Adjustments To Reconcile Net Loss To Net Cash Provided By (Used In) Operating Activities:			
Depreciation And Amortization	17,862	18,007	17,580
Provision For Uncollectible Accounts And Returns	6,373	5,508	5,468
Undistributed Earnings Of Affiliate	38	75	(23)
Deferred Financings Fees, Net	554	554	554
Change In Operating Assets and Liabilities:			
Accounts Receivable	(6,213)	(6,606)	(4,698)
Inventory	515	737	1,180
Prepaid Expenses And Other Assets	139	131	22
Accounts Payable, Accrued Expenses and Other	(595)	(1,386)	2,114
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>2,941</u>	<u>445</u>	<u>4,508</u>
<b>Investing Activities</b>			
Construction And Capital Expenditures, Including Net Change In Pager Assets	(1,709)	(1,756)	(5,100)
<b>Net Cash Used In Investing Activities</b>	<u>(1,709)</u>	<u>(1,756)</u>	<u>(5,100)</u>
<b>Financing Activities</b>			
Borrowings (Repayments) of DIP Credit Facility	0	2,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u>0</u>	<u>2,000</u>	<u>0</u>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	1,231	689	(591)
<b>Cash And Cash Equivalents At Beginning Of Period</b>	4,157	3,468	4,059
<b>Cash And Cash Equivalents At End Of Period</b>	<u>\$5,388</u>	<u>\$4,157</u>	<u>\$3,468</u>

See Accompanying Notes



**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**STATEMENT OF ACCOUNTS RECEIVABLE AGING AND**  
**AGING OF POSTPETITION ACCOUNTS PAYABLE**

For the month ended September 30, 1997

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

ACCOUNTS RECEIVABLE AGING		
	\$ 30,627,535	0 - 30 days old
	20,771,833	31 - 60 days old
	12,825,999	61 - 90 days old
	65,542,132	91+ days old
	126,767,499	TOTAL TRADE ACCOUNTS RECEIVABLE
	( 67,447,952)	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS
	59,319,547	TRADE ACCOUNTS RECEIVABLE (NET)
	1,681,927	OTHER NON-TRADE RECEIVABLES
	\$ 61,001,474	ACCOUNTS RECEIVABLE, NET

AGING OF POSTPETITION ACCOUNTS PAYABLE					
	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
ACCOUNTS PAYABLE	\$ 2,253,291	539,163	926,558	436,438	\$ 4,155,448

**OFFICE OF THE U.S. TRUSTEE - REGION 3**  
**STATEMENT OF OPERATIONS, TAXES,**  
**INSURANCE AND PERSONNEL**

For the month ended September 30, 1997

**Debtor Name:** MobileMedia Corporation et al.

**Case Number:** 97-174 (PJW)

STATUS OF POSTPETITION TAXES					
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	DELINQUENT TAXES
<b>FEDERAL</b>					
WITHHOLDING	\$ 0	\$ 1,606,233	\$ 1,606,233	\$ 0	\$ 0
FICA-EMPLOYEE	0	644,249	644,249	0	0
FICA-EMPLOYER	157,816	1,618,414	1,562,594	213,636	0
UNEMPLOYMENT	2,314	20,559	19,926	2,947	0
INCOME	0	0	0	0	0
TOTAL FEDERAL TAXES	160,130	3,889,455	3,833,002	216,583	0
<b>STATE AND LOCAL</b>					
WITHHOLDING	0	219,386	219,386	0	0
SALES	903,480	1,595,801	1,382,860	1,116,421	0
UNEMPLOYMENT	12,112	87,997	86,673	13,436	0
REAL PROPERTY	2,039,348	392,057	-	2,431,405	0
OTHER	592,625	30,692	83,863	539,454	0
TOTAL STATE AND LOCAL	3,547,565	2,325,933	1,772,782	4,100,716	0
TOTAL TAXES	\$ 3,707,695	\$ 6,215,388	\$ 5,605,784	\$ 4,317,299	\$ 0

**PAYMENTS TO INSIDERS AND PROFESSIONALS****For the month ended September 30, 1997****INSIDERS**

Payee Name	Position	Salary/Bonus/ Auto Allowance	Reimbursable Expenses	Total
Alvarez & Marsal Inc. - Joseph A. Bondi	Chairman - Restructuring	\$ 54,167	\$ 0	\$ 54,167
Boykin, Roberta	Assistant Corporate Counsel	8,462	1,503	9,964
Burdette, H. Stephen	Senior VP Corporate Development and Senior VP Operations	15,530	3,980	19,510
Cross, Andrew	Executive VP Sales and Marketing	17,000	4,025	21,025
Grawert, Ron	Chief Executive Officer	30,769	2,051	32,820
Gray, Patricia	Secretary/Acting General Counsel	13,085	0	13,085
Gross, Steven	Senior VP Strategic Planning	13,923	2,728	16,651
Hilson, Debra	Assistant Secretary	4,615	3,577	8,192
Hughes, Curtis	Assistant VP Mgmt. Information Systems	9,615	3,480	13,096
Pascucci, James	Assistant Treasurer	7,315	0	7,315
Pittsman, Santo	Senior VP of Administration and Business Planning	15,846	1,881	17,727
Shea, Kevin	Treasurer	10,778	0	10,778
Witsaman, Mark	Senior VP and Chief Technology Officer	15,269	4,508	19,777
<b>TOTAL PAYMENTS TO INSIDERS</b>				<b>\$ 244,107</b>

<p align="center"><b>PAYMENTS TO INSIDERS AND PROFESSIONALS (Continued)</b>  <b>For the month ended September 30, 1997</b></p>
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PROFESSIONALS				
Name and Relationship	Date of Court Approval	Invoices Received (1)	Invoices Paid	Holdback and Invoice Balances Due
1. Ernst & Young - Auditor, Tax and Financial Consultants to Debtor	1/30/97	\$ 211,563	\$ 289,406	\$ 131,288
2. Latham & Watkins - Counsel to Debtor	1/30/97	39,797	54,416	71,594
3. Alvarez & Marsal Inc.- Restructuring Consultant to Debtor (2)	1/30/97	268,268	261,698	361,299
4. Sidley & Austin - Bankruptcy Counsel to Debtor	1/30/97	119,025	123,714	182,136
5. Young, Conway, Stargate & Taylor - Delaware Counsel to Debtor	1/30/97	32,125	19,510	12,615
6. Wiley, Rein & Fielding - FCC Counsel to Debtor	1/30/97	73,145	87,398	128,522
7. Koteen & Naftalin - FCC Counsel to Debtor	6/11/97	698	3,197	4,472
8. Houlihan, Lokey, Howard & Zukin - Advisors to the Creditors' Committee	6/04/97	79,577	-	287,134
9. Jones, Day, Reavis & Pogue - Counsel to the Creditors' Committee	4/03/97	-	28,711	4,406
10. Morris, Nichols, Arsht & Tunnell - Delaware Counsel to the Creditors' Committee	4/03/97	5,874	3,935	1,939
11. Paul, Weiss, Rifkind, Wharton & Garrison - FCC Counsel to the Creditors' Committee	4/25/97	1,754	5,532	5,542
12. The Blackstone Group LP - Financial Advisors to Debtor	7/10/97	125,000	609,462	175,000
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		<b>\$956,825</b>	<b>\$1,486,710</b>	<b>\$1,365,936</b>

(1) Excludes invoices for fees and expenses through September 30, 1997 that were received by the Debtors subsequent to September 30, 1997.

(2) Includes fees and expenses for David R. Gibson, Senior Vice President and Chief Financial Officer (effective June 24, 1997).

**ADEQUATE PROTECTION PAYMENTS****For the month ended September 30, 1997**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
The Chase Manhattan Bank - (Interest)	\$ 4,504,530	\$ 4,504,530*	\$ 0

\* Payment made on 10/1/97.

**QUESTIONNAIRE****For the month ended September 30, 1997**

	YES	NO
1. Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2. Have any funds been disbursed from any account other than a debtor in possession account?		No
3. Are any postpetition receivables (accounts, notes, or loans) due from related parties?		No
4. Have any payments been made of prepetition liabilities this reporting period?	Yes	
5. Have any postpetition loans been received by the debtor from any party?	Yes	
6. Are any postpetition payroll taxes past due?		No
7. Are any postpetition state or federal income taxes past due?		No
8. Are any postpetition real estate taxes past due?		No
9. Are any postpetition taxes past due?		No
10. Are any amounts owed to postpetition creditors past due?		No
11. Have any prepetition taxes been paid during the reporting period?	Yes	
12. Are any wage payments past due?		No

If the answer to any of the above questions is "YES", provide a detailed explanation of each item.

Item 4 & 11. The Court has authorized the Debtors to pay certain pre-petition creditors. These permitted pre-petition payments include (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

Item 5. During the month of February 1997, the Debtors drew down \$45 million of borrowings under the DIP facility with The Chase Manhattan Bank, as agent for the lenders thereunder. During the months of March and April 1997, the Debtors repaid \$25 million and \$5 million, respectively, of borrowings under the DIP facility. The Debtors drew down an additional \$2 million under the DIP facility during the month of August.

<p style="text-align: center;"><b>INSURANCE</b>  <b>For the month ended September 30, 1997</b></p>		
<p style="text-align: center;"><b>There were no changes in insurance coverage for the reporting period.</b></p>		

<p style="text-align: center;"><b>PERSONNEL</b>  <b>For the month ended September 30, 1997</b></p>		
	<b>Full Time</b>	<b>Part Time</b>
1. Total number of employees at beginning of period	3,470	52
2. Number of employees hired during the period	61	9
3. Number of employees terminated or resigned during the period	125	4
4. Total number of employees on payroll at end of period	3,406	57